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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4335
INFO RUEHAC/AMEMBASSY ASUNCION 3738
RUEHBO/AMEMBASSY BOGOTA 2265
RUEHBU/AMEMBASSY BUENOS AIRES 1253
RUEHBR/AMEMBASSY BRASILIA 0650
RUEHCV/AMEMBASSY CARACAS 1925
RUEHPE/AMEMBASSY LIMA 5926
RUEHMN/AMEMBASSY MONTEVIDEO 4198
RUEHQT/AMEMBASSY QUITO 2111
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
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SUBJECT: CHILE MEDIA REPORT - JANUARY 27

Leading Stories

¶1. Headlines noted Minister of Interior Edmundo Perez-Yoma will testify over the 1994 Belgium sale of Mirage aircraft to Chile. Former Air Force Commander-in-Chief Ramon Vega is one of several officers arrested on suspicion of embezzlement in this case. Dailies also highlighted that Eduardo Frei Ruiz-Tagle (DC) and Jose Antonio Gsmez (PRSD) formally registered to compete in the Concertacion's primaries for the 2009 presidential election.

U.S.-Related News

¶2. Oscar Guillermo Garretsn op-ed entitled, "Obama and Dreams" "After the bellicose arrogance of Bush's conservatism, we are beginning to see the light of the U.S. ability to reinvent itself.... Obama has shown he is willing to confront the crisis with determination, but with a different foundation.... The issues that Obama has presented -- energy, education, technology, science, and global warming -- are also the challenges we face as a country.... It would not surprise me if the relationship between the United States and Latin America were to move forward with an emphasis on energy.... Obama's 'American Dream' requires safe energy and a Latin America with whom to share it" (La Segunda, conservative, afternoon, circ. 33,000, 1/26).

¶3. In his visit to Valdivia, Ambassador Paul Simons spoke at the local university about the new U.S. administration. "We all know that expectations are high, and the latest polls show that people are willing to be patient," said Simons. The Ambassador said that in his campaign the President spoke about strengthening ties with Latin America, specifically on energy and green areas. "Energy is an area on which we have been working with Chile and one that we will further strengthen," he said (Regional Diario Austral, 1/26).

¶4. Andres Oppenheimer article entitled, "Obama won the First Round."

"By revoking some of Bush's policies, which triggered the anti-American sentiment worldwide, Obama has already begun to hurt Chavez and other demagogues who have built their political careers blaming the United States for the underdevelopment in their countries.... If Obama wants to strengthen U.S. leadership in Latin America... he should take the follow actions before the Summit of the Americas in Trinidad and Tobago: Include Brazil and Mexico in the G-8... name a special envoy for the region with direct access to his office... allow Americans to use their health insurance overseas. This would help the U.S. health service, contribute to

Washington's deficit, and inject money into the health and tourism industries in Latin America.

15. Obama should fulfill his promise and lower U.S. dependence on foreign oil and create an 'Energy Alliance for the Americas,' providing technological and finance assistance to Latin Americans industries that export alternative fuels. This would help everyone expect Chavez.... He should ask Congress to pass the free trade agreements with Colombia and Panama.... If the world's perception of Obama continues to be that he a credible leader with good intentions, he will be able to demand that foreign leaders be judged on what they build rather than for what they try to blame on Washington. And looking at his first days in office, he is off to a good start." (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 1/27).

Local

16. Minister of Interior Edmundo Perez-Yoma will testify as a witness in the controversial purchase of 35 Belgium Mirage airplanes. He was Defense Minister during the sale in 1994. According to the court, former Air Force Commander-in-Chief Ramon Vega and other officers received a total of US\$15 million dollars in commissions, and will all stand trial for embezzlement of state funds. Senate President Adolfo Zaldívar scheduled a special session for Friday to discuss the case (El Mercurio, 1/27).

17. A Belgian Anti-Corruption Police report concluded that Chilean General Ramon Vega also leaked information on the terms of other bids submitted to help the Belgium company interested in selling the Mirage airplanes (Government-owned, editorially independent, circ. 4,200, La Nacion).

Russia

18. A delegation of Russian experts will arrive in Santiago on February 12 to meet with their counterparts in the International Economic Affairs Bureau (Foreign Affairs Ministry) to set the foundation for an eventual free trade agreement. Russian Ambassador to Chile Yuriv Filatov said that both countries can complement each other in energy, mining, and transportation. But Russia has also been lobbying strongly to build nuclear plants in Chile. President Bachelet will travel to Russia in April (On-line news service El Mostrador, 1/27).

Terrorism

19. The Rancagua Prosecutor's Office concluded the investigation of two violent bank robberies committed in 2004 and 2005 by members of the subversive organization Ejercito Guerrillero de Los Pobres -- Patria Libre. Among them is Elena Varela, who was arrested in May 2008 as she filmed a documentary about the Mapuche conflict in southern Chile. She is currently free on bail (La Tercera, conservative, independent, circ. 101,000, 1/27).
SIMONS